

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UBS FINANCIAL SERVICES, INC.,

Plaintiff,

-against-

REVENUE FUNDING SERVICES, LLC, MAURICE
HERMAN, a/k/a J. MAURICE HERMAN, HALEC,
LLC and JP MORGAN CHASE BANK, N.A.,

Defendants.

Case No. 1:16-cv-07515

**ORDER DIRECTING
PAYMENT OF
INTERPLEADER FUNDS IN
FULL**

WHEREAS, on or about January 20, 2012, JPMorgan Chase Bank, N.A. (“JPMorgan”) obtained a judgment against Maurice Herman (“Herman”) in the State of Florida in the amount of \$259,539.96 (the “Judgment”);

WHEREAS, Herman appealed the Judgment, and in September 2013, the Judgment was affirmed by Florida’s Fourth District Court of Appeal;

WHEREAS, on or about February 13, 2015, JPMorgan domesticated its Judgment in the Connecticut Superior Court (the “CT Action”);

WHEREAS, on May 6, 2015, JPMorgan filed an Application for an Execution and Order in Aid of Execution in the CT Action;

WHEREAS, on or about June 22, 2015 the Connecticut Superior Court issued an Execution and Order In Aid of Execution (the “Execution Order”);

WHEREAS, the Execution Order directed UBS to “transfer cash or marketable securities held by UBS in the name of or for the benefit of Maurice Herman, including without limitation, the assets in the Bilateral Trust d/b/a Marstack & Co., sufficient to satisfy JPMorgan’s Judgment in the amount of \$297,233.70 plus post-judgment interest from February 13, 2015 through the date of this Order”;

WHEREAS, on or about June 25, 2015, UBS was served with a copy of the Execution Order;

WHEREAS, in accordance with the Execution Order, UBS froze an account opened by Herman, the Revenue Funding Services Account (“RFS” and the “RFS Account”);

WHEREAS, on or about March 17, 2016, JPMorgan advised UBS that Herman had appealed the Execution Order to the Connecticut Appellate Court (“CT Appellate Court”) and demanded that UBS “continue to secure the assets sufficient to satisfy the judgment as set forth in the Execution and Order in Aid of Execution until further notice from the Court”;

WHEREAS, on or about August 9, 2016, Herman’s attorneys advised UBS that on June 15, 2016, another entity HALEC, LLC (“HALEC”) acquired all of the Membership Units of RFS and demanded that UBS liquidate the RFS Account and disburse the funds to HALEC (“Herman”, “HALEC” and Revenue Funding Services, LLC” are referred to as the “Herman Parties”);

WHEREAS, on or about September 26, 2016, UBS filed this Interpleader Action to resolve these competing and conflicting demands from JPMorgan and the Herman Parties relating to the RFS Account;

WHEREAS, shortly after this action was filed, the Parties advised the Court that the decision of the CT Appellate Court would determine which Party was entitled to the funds in the RFS Account;

WHEREAS, at the Parties’ request, this Court stayed this action pending a decision from the CT Appellate Court ([Doc. No. 47](#));

WHEREAS, on or about August 22, 2017, the CT Appellate Court upheld the Superior Court’s ruling that Execution Order was proper;

WHEREAS, on September 11, 2017, Herman filed a Petition for Certification with the Connecticut Supreme Court to determine whether the CT Appellate Court erred in affirming the trial court’s decision;

WHEREAS, on or about December 1, 2017, the Connecticut Supreme Court denied Herman's Petition for Certification;

WHEREAS, after the denial of certification of the Connecticut Supreme Court, the parties advised this Court that the issue as to which party was entitled to the Interpleader Funds had been finally determined;

WHEREAS, thereafter the parties engaged in settlement negotiations to resolve certain issues either unrelated or tangentially related to this action;

WHEREAS, those negotiations have not been successful;

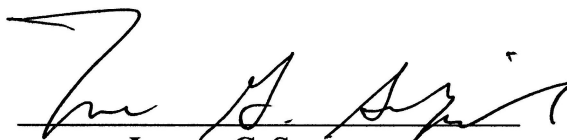
WHEREAS, on November 7, 2019, following a status conference, the Court issued an order referring the case to Magistrate Judge Robert W. Lehrburger for Settlement; and

WHEREAS, on November 7, 2019, the Court also issued an order directing counsel for UBS to submit a proposed order to the Court to authorize payment of the Interpleader Funds to JPMorgan.

NOW THEREFORE, IT IS HEREBY ORDERED:

1. UBS is directed to transfer the Interpleader Funds in the RFS Account to JPMorgan within fifteen (15) of the day this Order is entered.
2. Within three (3) business days of the transfer of the Interpleader Funds, UBS shall send written notice to the Court and the Herman Parties.
3. As the Court has no jurisdiction to consider any proposed claims or causes of action between or among the parties that do not concern the Interpleader Funds, upon receipt of notice of the payment of the Interpleader Funds, pursuant to Paragraph 1 of the Order, this case is dismissed with prejudice.

Dated: January 29, 2020
New York, New York


LORNA G. SCHOFIELD
UNITED STATES DISTRICT JUDGE